

**NEWS MEDIA**

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## **Energy Secretary Abraham Announces \$300 Million Deal to Upgrade California's Path 15**

### ***PG&E is Key Participant***

**PALO ALTO, CALIFORNIA** –Secretary of Energy Spencer Abraham today announced a \$300 million deal with Pacific Gas & Electric (PG&E) and six other parties to build the upgrade of Path 15 and alleviate California's major electric transmission bottleneck.

"Path 15 has plagued Californians for over a decade, and was even responsible for two blackouts last winter affecting citizens here in Palo Alto. I am extremely pleased to announce that we are taking a major step toward a solution that will relieve the pressure on this choke point in the transmission grid," Secretary Abraham said.

Abraham also said he was "particularly pleased that California is strongly represented in the consortium" with PG&E and the Transmission Agency of Northern California as key participants. Other participants of the consortium are: Trans-Elect Inc., Kinder Morgan Power Co., PG&E National Energy Group, Williams Energy Marketing and Trading Co., and the Western Area Power Administration (WAPA).

Plans call for a 45-45-10 ownership split between public and private firms with the Western Area Power Administration retaining 10 percent in recognition of its role as project manager. WAPA is a federal agency within the U.S. Department of Energy. It markets electricity from federal water projects in a 15-state region of the West and operates and maintains nearly 17,000 miles of transmission lines.

Path 15 has been targeted for expansion for more than a decade. The Bush Administration's plan to upgrade Path 15 is a critical component in solving California's energy crisis. State grid officials report that this bottleneck contributed to blackouts in Northern California last winter. In an assessment released last week, the California Independent System Operator zeroed in on Path 15. The report stated that potential overloads could occur again this winter requiring significant mitigation measures.

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Path 15 is an 84-mile stretch of electrical transmission lines in the Central Valley connecting Southern California with the northern part of the state. Capacity in this area is not enough to meet fluctuating consumer demands and carry the necessary electricity load, especially during the winter. Building a third transmission line and other upgrades will allow for about an additional 1,500 megawatts (roughly enough to power 1.5 million households) of electricity to be transmitted across the state. The project will cost about \$300 million. Construction is planned to begin in spring 2003. The new 500-kV transmission line would come on line as early as summer 2004.

WAPA's role as project manager for this upgrade includes completing its environmental studies and working in cooperation with other industry entities including PG&E, the Transmission Agency of Northern California, the California Independent System Operator and others to complete the project.

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